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March 7, 2005

To: Janet Woolum, Research Director Arizona Department of Commerce;
Fax: 602-771-1200

From: Trudy Kilian, Partner, DJT Consulting Group Fax: 530-622-6400

Re: Grants-seeking Resources -- Cost Proposal Request
(Statewide Grant-writing Contract #C002-05)

On behalf of DJT Consulting Group, I am presenting the following information as our Cost Proposal in response to the above-referenced Cost Proposal Request. This bid document includes the following sections:

- **Cost Estimate Summary.** This contains the breakdown of estimated hours per deliverable. We provide two sets of estimates -- a "Basic" estimate and a "Supplemental" Estimate. *We are asking the State to consider either the "Basic" estimate or a combination of the "Basic" plus one or more elements of the "Supplemental" estimate.*

The Basic Estimate is for the core tasks necessary to provide useful, quality deliverables. The Supplemental estimate suggests additional hours for one-time and ongoing tasks that will vastly improve the usefulness of the Project and its deliverables as well as garner increased stakeholders' buy-in and participation.

- **Tasks Outline with Estimate of Dollars per Task**
- **Tasks Outline with Estimated Timeline per Task**
- **Discussion.** This section includes further information regarding the activities within each task. It also clarifies how some of the hourly rates were derived for both the "Basic Project" and "Supplemental" Activities.

As a partner in the firm, I am authorized to make bids and negotiate contracts on behalf of DJT Consulting Group. Please contact me to discuss this bid. I may be reached through the following means:

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COST ESTIMATE SUMMARY

Breakdown of Estimated hours per Deliverable

Deliverable	"Basic" Hours
1. List of potential funding sources	329.25
2. Calendar of deadlines and other significant dates	64.75
3. Basic proposal template with list of commonly requested information	78.4
4. Checklists and other tools	33.6
TOTAL*	506
Work effort fee, based on \$85.00 per hour	\$43,010

Deliverable	"Supplemental" Hours
1. List of potential funding sources	590.25
2. Calendar of deadlines and other significant dates	264.75
3. Basic proposal template with list of commonly requested information	77
4. Checklists and other tools	33
TOTAL*	965
Work effort fee, based on \$85.00 per hour	\$82,025

The hourly estimate is based on adding up hours per task pertaining to each deliverable. Many of the tasks are pertinent to more than one deliverable (such as project management and planning tasks). Therefore, we divided "cross-deliverable" task hours based on an estimated percentage of time dedicated to each deliverable.

The Basic Estimate of hours is for the core tasks we feel are necessary to provide useful, quality deliverables. These tasks are in close adherence to the Cost Proposal Request (SOW2) for a **one-time, fixed cost effort**.

The Supplemental Estimate includes additional hours for one-time and ongoing tasks that will vastly improve the usefulness of the Project and its deliverables as well as garner greater stakeholders' buy-in and participation. We are asking the State to consider the "Basic" estimate or a combination of the "Basic Project" plus one or more elements of the "Supplemental Activities" estimate.

* Our fee for these deliverables includes the work effort, at the hourly rate of \$85.00. The fee will also include travel and other expenses, as outlined in our initial Scope of Work (SOW) and in the "Discussion" section of this document.

TASK OUTLINE WITH ESTIMATE OF DOLLARS PER TASK

Basic Project Hours, Rates, Fees	Hours	Rate	Fee
<i>FOR DELIVERABLES ONE AND TWO</i>			
TASK 1. PLANNING AND DEVELOPMENT	97	\$85	\$8,245
TASK 2. GRANT OPPORTUNITY RESEARCH	156	\$85	\$13,260
TASK 3. GRANT OPPORTUNITY REPORTS	50	\$85	\$4,250
TASK 4. CALENDAR OF GRANT ACTIVITIES	15	\$85	\$1,275
TASK 5. PROJECT MANAGEMENT AND QUALITY ASSURANCE	52	\$85	\$4,420
<i>FOR DELIVERABLES THREE AND FOUR</i>			
TASK 6. PROPOSAL PLANNING AND DEVELOPMENT	52	\$85	\$4,420
TASK 7. PRELIMINARY DRAFT	40	\$85	\$3,400
TASK 8. FINAL DRAFT OF TEMPLATES	20	\$85	\$1,700
TASK 9. PROJECT MANAGEMENT AND QA	n/a	\$85	n/a
Subtotal - Basic Project Elements	506		\$43,010

Supplemental Project Hours, Rates, Fees	Hours	Rate	Fee
<i>FOR DELIVERABLES ONE AND TWO</i>			
TASK 1. PLANNING AND DEVELOPMENT	120	\$85	\$10,200
TASK 2. GRANT OPPORTUNITY RESEARCH	385	\$85	\$32,725
TASK 3. GRANT OPPORTUNITY REPORTS	190	\$85	\$16,150
TASK 4. CALENDAR OF GRANT ACTIVITIES	68	\$85	\$5,780
TASK 5. PROJECT MANAGEMENT AND QUALITY ASSURANCE	92	\$85	\$7,820
<i>FOR DELIVERABLES ONE AND TWO</i>			
TASK 6. PROPOSAL PLANNING AND DEVELOPMENT	40	\$85	\$3,400
TASK 6. PROPOSAL PLANNING AND DEVELOPMENT	40	\$85	\$3,400
TASK 7. PRELIMINARY DRAFT	10	\$85	\$850
TASK 9. PROJECT MANAGEMENT AND QA	60	\$85	\$5,100
Subtotal - Supplemental Project Elements	965		\$82,025

TASK OUTLINE WITH ESTIMATED TIMELINES PER TASK

	Start	Finish
Task 1. Perform Planning and Development	Month 1	Month 2
Task 2. Perform Grant Opportunity Research	Month 3	Month 3
Task 3. Provide Grant Opportunity Reports	Month 4	Month 4
Task 4. Provide Calendar of Grant Activities	Month 4	Month 4
Task 5. Project Management and Quality Assurance	Month 1	Month 4
Task 6. Proposal Planning and Development	Month 5	Month 5
Task 7. Preliminary Draft	Month 6	Month 6
Task 8. Final Draft Of Templates	Month 6	Month 7
Task 9. Proposal Project Mgmt. and Quality Assurance	Month 5	Month 7

Note: These timelines are for the Basic Cost estimate. Should the State agree to add some/all of the activities in the Supplemental Cost estimate, we will revise the timelines to reflect these other activities.

DISCUSSION

This section includes further information regarding the activities within each task. It also clarifies how some of the hourly rates and timelines were derived for both the “Basic” and “Supplemental” Options. Where not otherwise noted, most estimates are based on previous experience with this or similar kinds of activity and/or research into similar activities performed by others.

Task 1. Perform Planning and Development

	ACTIVITIES INVOLVED	Hours	Rate	Dollars
1a	Confer with State staff to refine goals, objectives, budget, timeline (3 hrs X 2 DJT Consulting Group personnel in a site visit)	6	\$85	\$510
1b	Identify Budget Units concerning emphasis areas (community, workforce and economic development). (Additional conversation with staff)	2	\$85	\$170
1c	Review fiscal & planning documents provided by AZ staff. This would include the "Master List of State Government Programs," and any other 2006-2010 Strategic Planning Documents. Research to identify (a) agency budgets (b) goals, strategic issues (c) the needs/activities broken out by funding sources and years (d) anticipated expansion/reduction of programs and/or services and (e) collaboration potentials	20	\$85	\$1,700
1d	Summarize Needs/Programs, Funding Amounts Needed; When Funding is Necessary	6	\$85	\$510
1e	Develop Grants Work Team (GWT) including Budget Unit liaisons AZ staff helps recruit/contact members) DJT Coordinates meetings/other communications once individuals are selected 1e through 1g may be a combination of meetings, phone conferences, emails, faxes, etc.	8	\$85	\$680
1f	Confer with GWT about Project, intended outcomes. Get info to revise the Needs/Funding Amounts/ Timelines analysis	8	\$85	\$680
1g	Communications with GWT to Determine (a) Current nature of Grant Opportunity Research within & across Budget Units; (b) Desired changes/roadblocks/issues (meetings, email, calls, etc.) This activity should investigate (a1) personnel involved and how they function (in committees? across departments?) (a2) procedural guidelines, requirements (a3) databases/meta-sites/literature used (a3) how information is shared within and across agencies (a4) what grant opportunity information is collected (e.g. funder name, funding deadlines, eligibility factors) (a5) what formats (database? spreadsheet? narrative?) (a6)communications methods used (email; website, meetings, memos); (a7) frequency of grants research activities, of reporting outcomes of research; (a8) quality assurance methods in place	14	\$85	\$1,190

1h	Develop Action Plan, Methodology, Templates & Formats for researching and reporting on grant opportunities This might include purchasing/accessing existing or new databases and resources (such as "grants.gov," "GrantsDirect.com" "SPIN" and "COS"). A list of search terms can be catalogued. The type of data elements to be collected should be agreed-upon. (For instance: grantmaker name, contact information (email, URL) grants program title, purpose, eligibility requirements, funding deadlines, grant amount). Look at Federal model of standard data elements for reporting grant info because of PL 106-107.	25	\$85	\$2,125
1j	Pilot Test Grant Opportunity Research & Reporting mechanisms and revise with GWT input	8	\$85	\$680
	Subtotal -- Basic Project Hours	97		\$8,245
1k	[Supplemental] Review other state or national-level Grant Opportunity Research models and select facets for consideration by Grants Team in developing protocols, formats. (Texas has a "Grants Alert Team" and grant notification process, for example.)	15	\$85	\$1,275
1l	[Supplemental] Develop "Grants Alert" system, for monitoring grant-related funding info and reporting out	20	\$85	\$1,700
1m	[Supplemental] Develop "Information on Demand" system. Staff queries submitted at any time, trigger research and report This may include providing a grants information request form that can be submitted by anyone within the state government, at any time. Furthermore, as such requests come in, they can be tabulated and analyzed as to changes in need, duplicate requests, different departments looking for the same kinds of funding, etc.	10	\$85	\$850
1n	[Supplemental] Refine Project to enable web-based access to Grants Opportunity Reports, Grants Database The estimate of time and dollars required for this project is conservative. We would have to know more about the state's existing databases and IT capacity before providing a more definitive estimate for this activity. If a searchable database is sufficient, the 75 hour estimate may be practical. However, other elements (for instance, printing out customized reports) is required, and then the hours would have to be increased significantly.	75	\$85	\$6,375
	Supplemental Hours -- Subtotal	120		\$10,200

Task 2. Perform Grant Opportunity Research

	ACTIVITIES INVOLVED	Hours	Rate	\$\$
2a	After reviewing existing databases, identify new/additional potential funding sources (federal, private, corporate, and family foundation grant opportunities for which a state agency can apply). Extract baseline data for preliminary screening. Time based on 300 successful searches @ .33 hrs per search	75	\$85	\$6,375
2b	Review findings with GWT. Select a subset of funding opportunities for further research. Accomplished by email, conference calls, faxes	6	\$85	\$510
2c	Collect more detailed info from sources based on agreed-upon matrix of info needs. Include eligibility requirements, including any required cost matches & whether administrative expenses are covered Approximately 50% of opportunities will be eliminated at this point. 150 searches X .5 hr each	75	\$85	\$6,375
	Subtotal - Basic Activities	156		\$13,260
2d	[Supplemental] Identify collaborative opportunities (university and state, nonprofits and state, businesses and state, for examples) Use collaborative potentials listed in archival State documents and research other state's activities in this area. Some grant opportunities are restricted to nongovernmental agencies and businesses. If these parties receive grant funds, the state's funding requirements may be reduced. Furthermore, partnerships with nonprofit organizations and the business community will enhance leveraging of resources and can increase the State's grant funding probability. (Texas resource development collaboration with state gov't, university and nonprofits has brought 15 million dollars in new funding for Texas communities. http://ccs.tamu.edu/text/default.htm#impact)	25	\$85	\$2,125
2e	[Supplemental] Monthly "Grant Alerts" of 20 new grants and reported out (estimate .5 X 20 X 12 months)	180	\$85	\$15,300
2f	[Supplemental] 20 Information on Demand Requests/month (estimate .5 X 20 X 12 months)	180	\$85	\$15,300
	Subtotal - Supplemental Activities	385		\$32,725

Task 3. Provide Grant Opportunity Reports

	ACTIVITIES INVOLVED	Hours	Rate	\$\$
3a	Provide Grant Opportunity Reports based on agreed-upon format. Include outline of any "extraordinary" post-award requirements (Estimate entering/summarizing researched data into format at .25 X 150 entries)	37.5	\$85	\$3,188
3b	Provide full-text guidelines of specific funding opportunities, if requested (Estimate .25 per request X 50 requests)	12.5	\$85	\$1,063
	Subtotal - Basic Activities	50		\$4,250

3c	[Supplemental] Integrate Grants Opportunity database with existing state funding research databases	40	\$85	\$3,400
3d	[Supplemental] Provide an analysis of likelihood of achieving funding from particular grant proposal efforts. Include a cost-benefit analysis (cost of effort compared to likelihood of funding and amount of funding likely to be received) (Estimated 1 hour X 50 analyses and reports)	50	\$85	\$4,250
	Subtotal - Supplemental Activities	190		\$7,650

Task 4. Provide Calendar of Grant Activities

	ACTIVITIES INVOLVED	Hours	Rate	\$\$
4a	Provide a Calendar detailing the timing of notices of availability, application deadlines, and estimated award cycles Estimated 10 opportunities per page X 15 pages X 1 hr each page)	15	\$85	\$1,275
	Subtotal - Basic Activities	15		\$1,275
4b	[Supplemental] Integrate Grants Opportunity Calendar with existing state funding opportunities calendars	20	\$85	\$1,700
4c	[Supplemental] update calendar monthly	48	\$85	\$4,080
	Subtotal - Supplemental Activities	68		\$5,780

Task 5. Project Management and Quality Assurance

	ACTIVITIES INVOLVED	Hours	Rate	\$\$
5a	Regular interface with GWT members, via telephone, electronic communications or site visits (for Project Mgmt/coordination) Estimated time spread over project period	52	\$85	\$4,420
	Subtotal - Basic Activities	52		\$4,420
5b	[Supplemental] Additional interface with State staff and GWT members (for supplemental activity mgmt) Estimated additional time spread over project period	52	\$85	\$4,420
5c	Quarterly, collect (internal) customer satisfaction information and refine procedures and materials (Estimated 4 such activities X 10 hours each)	40	\$85	\$3,400
	Subtotal - Supplemental Activities	92		\$7,820

Task 6. Proposal Planning and Development

	ACTIVITIES INVOLVED	Hours	Rate	\$\$
6a	Propose basic elements to Grants Work Team Elements most likely will include Background statement, Program Narrative, Goals, Objectives, Mission, Work Plan, Proposal Budget (Personnel, Fringe Benefits, Travel, Training, Permanent Equipment, Materials and Supplies, Administrative Overhead)	6	\$85	\$510

6b	Collect and analyze archival information from State to use in crafting template(s) and tools (existing proposals, routinely used forms, checklists, attachments)	12	\$85	\$1,020
6c	Confer with GWT regarding problems, issues, needs for update of archival information	6	\$85	\$510
6d	Suggest scope of and format for proposal, checklist and other tools to be provided. Develop suggested template formats. Other tools might include copies of standard forms/info with basic information filled out and formatted for easy revision. (For example: Anti-Discrimination/OEO statements, federal Assurances and Certifications, a Standard Proposal Budget Form, a Standard Proposal Transmittal Letter, information about Indirect Cost Rates, basic Job descriptions and Salary schedules)	20	\$85	\$1,700
6e	"Storyboard" brainstorming session(s) with GWT to discuss elements to be included in each proposal section	8	\$85	\$680
	Subtotal - Basic Activities	52		\$4,420
6f	[Supplemental] Investigate utility of Commercial Proposal Preparation Software or other methods for maintaining and updating entire boilerplate as well as discreet portions of it.	40	\$85	\$3,400
	Subtotal - Supplemental Activities	40		\$3,400

Task 7. Preliminary Draft

	ACTIVITIES INVOLVED	Hours	Rate	\$
7a	Craft template items - boilerplate proposal elements, checklists, other tools	40	\$85	\$3,400
	Subtotal - Basic Activities	40		\$3,400
7b	[Supplemental] Input Draft into Commercial Off the Shelf Proposal Preparation Software	10	\$85	\$850
	Subtotal - Supplemental Activities	10		\$850

Task 8. Final Draft of Templates

	ACTIVITIES INVOLVED	Hours	Rate	\$
8a	Review Preliminary Draft with GWT, Prepare Final Drafts	20	\$85	\$1,700
	Subtotal - Basic Activities	20		\$1,700

Task 9. Proposal Project Mgmt. and Quality Assurance

	ACTIVITIES INVOLVED	Hours	Rate	\$
9a	[Supplemental] Confer with Grants Work Team regarding upcoming grant opportunities and revise templates/forms/checklists as necessary to better interface with new opportunities	60	\$85	\$5,100
	Subtotal - Supplemental Activities	60		\$5,100

Travel and Other Expenses

Since we are not aware of the level of staff involvement intended, it is difficult to estimate the frequency of and most practical methods for interface. We anticipate several visits to meet with staff and to collect materials. We will attempt to arrange these visits so that several meetings can take place over one day or a block of days. This will reduce travel expenses.

This will involve travel for at least two DJT staff. We have not built in travel time as part of our hourly estimates. Travel time, airplane fare, per diem, hotel costs, mileage and/or car rental are estimated to be about \$1,000 per DJT staff member visit. A more accurate estimate will be provided during contract negotiations.

Other expenses such as extraordinary copying costs (copying large documents) or purchasing commercial software packages will be estimated during contract negotiations. We will advise staff regarding any anticipated expenses such as these, as they arise. It may be possible to agree on a "not to exceed" expense budget that encompasses the entire project period.

As an alternative to (but not the preferred method) phone conference, Web Conferencing, or some other remote conferencing element could be substituted for some of the proposed meetings with staff.